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10 March 1960

CURRENT INTELLIGENCE WEEKLY SUMMARY



CENTRAL INTELLIGENCE AGENCY
OFFICE OF CURRENT INTELLIGENCE

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY**

10 March 1960

T H E W E E K I N B R I E F**PART I****OF IMMEDIATE INTEREST**

EAST-WEST RELATIONS Page 1

Moscow has combined expressions of optimism over the summit conference with intensified efforts to increase pressure for Western concessions on Germany and Berlin. Khrushchev said in a speech on 5 March that he will enter the forthcoming negotiations in "full readiness" to find solutions to disputed issues. At the same time, Soviet bloc spokesmen are privately fostering confusion and uncertainty regarding the timing of a separate peace treaty with East Germany if no agreement is reached. Moscow continued its efforts to isolate and discredit Bonn by sending notes on 4 March to West Germany and the three Western powers protesting recent Spanish - West German military talks.

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THE DE GAULLE - KHRUSHCHEV TALKS Page 3

Both De Gaulle and Khrushchev probably look on their talks beginning 15 March primarily as an opportunity to size each other up and impress the other with his firm adherence to established positions. Both have policy commitments which sharply reduce the likelihood of any French-Soviet "deal." De Gaulle, who sees the meeting as an occasion to assert France's authority as a European leader, can be expected to maintain his "hard line" on Berlin and Germany, while at the same time probing for opportunities to lessen East-West tensions. Khrushchev, who has been making a persistent effort to create a favorable atmosphere for his visit, will probably avoid serious bargaining on specific issues, but try to impress De Gaulle with Soviet determination to reach a settlement on Berlin and Germany.

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MIDDLE EAST HIGHLIGHTS Page 5

The military postures of the UAR and Israel have been further relaxed, but their intensive propaganda war continues, with UAR media making bitter charges of Western complicity with Israel. The UAR and Jordan are engaged in a public quarrel over creation of a Palestine "state" and army; Nasir has called the Jordanian Government a puppet of the "imperialist powers." In Iraq, increased criticism of the Qasim regime by Communist newspapers may lead to further government action to undercut the orthodox faction of the party.

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PART I (continued)

CARIBBEAN TENSIONS Page 7

Anti-American feeling over the explosion in Havana harbor is being whipped up by Castro and the Cuban press and radio to such a level that even a minor incident now could cause an outbreak of violence against US personnel and property. The US Embassy sees no hope of establishing satisfactory relations with a Castro government.

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In the Dominican Republic, the beleaguered Trujillo regime faces a further deterioration in its relations with the Roman Catholic hierarchy.

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25X1**PART II****NOTES AND COMMENTS**

DE GAULLE'S ALGERIAN POLICY Page 1

The amplification of De Gaulle's views on Algeria, made during and after his 3-5 March visit to the area, suggests he has become pessimistic over prospects for an early cease-fire. While he has not significantly altered the self-determination policy, some of his forthright statements have irritated extremists on both sides in France and disturbed many moderates. Among the Algerian rebels, his statements will tend to strengthen the position of those leaders, particularly among field commanders, who have long questioned his good faith.

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THE IMPACT OF KHRUSHCHEV'S TRIP TO ASIA Page 1

Khrushchev's trip to India, Burma, Indonesia, and Afghanistan, despite the bloc's enthusiastic evaluations, apparently fell short of Soviet expectations, and Khrushchev's behavior on the journey may have reflected his disappointment with the unenthusiastic public response. Although his aggressive, tactless conduct irritated many neutralist leaders during the trip, Khrushchev left behind some agreements for new credits and promises of further economic aid. The joint communiqués signed at each stop supported some of Moscow's propaganda and policy positions and provide some justification for Soviet claims of success.

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PART II (continued)

EAST GERMAN DIPLOMATIC RELATIONS Page 3

East Germany has announced that the Guinean ambassador to Moscow on 5 March presented his credentials to President Pieck, an act which would constitute the first legal recognition East Germany has received from a non-Communist country. If Guinea confirms this action, its lead may be followed by other countries unless West Germany deters them. Such recognition would be used by Moscow to support its claim that there are two sovereign German states.

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SOVIET-IRANIAN RELATIONS CONTINUE TO WORSEN Page 5

The Soviet Union, unsuccessful in its year-old diplomatic and propaganda pressure campaign to make Iran modify its pro-Western policies, is taking measures to expand its subversive potential inside Iran, and has recently launched increasingly vicious propaganda attacks on the Shah's regime. Iranian officials are concerned over these developments [redacted] Officially, relations are at a standstill, with Moscow continuing to demand that Iran give a guarantee against foreign military bases of all types, while the Shah refuses to go beyond his offer of a ban on foreign missile bases.

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GOMULKA ADAMANT ON LABOR SPEED-UP Page 6

Party First Secretary Gomulka's speech of 2 March, in a climate of rising discontent among Polish industrial workers, reaffirmed his regime's "tightening up" policy. His explanation of the need for a reform of labor practices probably failed in its purpose of calming the workers, whose hopes for a rising standard of living have been shaken by increasing food prices, layoffs of surplus workers, and the prospect of harder work and less pay.

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NEW SOVIET UNIVERSITY FOR FOREIGN STUDENTS Page 7

The Soviet press is propagandizing Khrushchev's proposal for a "Soviet University of People's Friendship" as an example of support for the people of underdeveloped countries. The scheme will provide a focus for propaganda exploitation of the USSR's scholarship program for foreign students and serve to isolate them from the realities of Soviet life, thereby avoiding the unfavorable impression many foreigners now receive at a number of schools throughout the USSR.

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PART II (continued)

COMMON MARKET DEVELOPMENTS Page 9

Prospects are generally favorable for a material reduction of the 12- to 15-year transitional period of the European Economic Community (EEC or Common Market). EEC officials consider economic conditions propitious for expediting tariff cuts, and they have had considerable support from businessmen and from the French Government, which for political reasons is anxious to consolidate the community. Strongest opposition has come from the low-tariff countries--especially the Netherlands--which are reluctant to accentuate the differences between the EEC and the Outer Seven.

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UAR SEEKS EXPANDED INFLUENCE IN HORN OF AFRICA Page 10

The reported UAR offer of a large annual subsidy to Somalia, if confirmed, could lead to a long period of unrest and even violence in the Horn of Africa. Ethiopia's Christian rulers, uncertain of the loyalty of the large Moslem minority, can be expected to react vigorously to any move by the UAR to expand its influence in the Somaliland, which Ethiopia regards as its own preserve.

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POLITICAL UNREST IN UGANDA Page 11

London's endorsement of a moderate increase in African representation in the legislature of its East African protectorate of Uganda has failed to satisfy African nationalists and has stimulated apprehension among tribal leaders, who fear any centralization of government which might lessen their own prestige. Some modifications in the announced British program appear likely.

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GUINEA Page 12

Guinea's increasing ties with the Sino-Soviet bloc probably reflect President Sekou Touré's belief that a "noncommitted" nation can safely have economic and diplomatic relations with any friendly state. Continuing mistrust of Paris and inability to reach agreement on technical assistance led to the announcement on 1 March that Guinea would leave the French monetary zone and create both its own currency and national bank. Simultaneously, Guinea signed a technical cooperation agreement with the USSR outlining a three-year aid program within the framework of the \$35,000,000 credit agreement of last summer.

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PART II (continued)

AFGHAN-PAKISTANI RELATIONS WORSEN Page 13

Kabul has recently put Pakistan's diplomatic personnel under surveillance and arrested some of the embassy's local employees; Rawalpindi is countering with harassment of Afghan personnel and with a proposal that Afghan tribesmen be allowed to vote on whether they wish to join Pakistan. If these tactics continue, both countries may withdraw their ambassadors.

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INDONESIA Page 14

The Indonesian Parliament adjourned quietly on 7 March following its abrupt "dismissal" by President Sukarno two days earlier. Sukarno has called a 16 March conference to consider plans for a new body which will include the approximately 260 members of the recent parliament and 294 regional and functional representatives appointed by Sukarno. Sukarno leaves in early April on his annual world tour, which this year will include visits to Iraq and the UAR, Eastern Europe, Africa, Cuba, and unofficial stops in Puerto Rico and San Francisco.

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THE SOUTH KOREAN PRESIDENTIAL ELECTION Page 15

The South Korean Liberal party is using intensified political repression to assure a landslide victory for President Rhee and his running mate Yi Ki-pung on 15 March. Following the election, the government may relax political pressures as a sop to foreign criticism. The Liberals' plans, however, may envisage the destruction of the opposition Democratic party, a move which in the long run would probably force growing antiadministration sentiment into subversive channels.

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JAPANESE-SOVIET TRADE AGREEMENT Page 17

Japan and the USSR have concluded a three-year trade agreement calling for an exchange of \$210,000,000 worth of commodities each way with the understanding that the USSR can defer payment for some purchases in Japan. The 1960 total trade turnover under the new agreement would double the 1959 figure of approximately \$62,400,000 and would constitute about 2 percent of Japan's total trade volume. The large and rapid expansion of Soviet crude-oil marketing in Japan is causing serious concern among American suppliers.

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PART III

PATTERNS AND PERSPECTIVES

BULGARIA'S "LEAP FORWARD" Page 1

The extensive Bulgarian administrative reorganization and economic drive, designed to "build socialism" as rapidly as possible, has resulted in increased production, but at the expense of some dislocations, confusion in the party, and increasing apathy among the people. Failure to reach last year's ambitious economic goals has prompted the formulation of more realistic plans and has stimulated further administrative and personnel changes. There is no indication that the Bulgarian program, drawing from both Soviet and Chinese models, will be scrapped or that party leader Zhivkov's position is threatened.

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AFGHANISTAN'S MILITARY MODERNIZATION Page 4

Afghan Prime Minister Daud is pressing ahead with the modernization of the army, increasing its size and improving its training and equipment. Determined to develop Afghanistan's economy and introduce social reforms, Daud apparently expects to rely heavily on the army for support against any tribal opposition or conservative religious resistance to his programs. As the army becomes aware of its increasing importance as a means of controlling the country, it could become a threat to the rule of the royal family; at present, Daud is believed to have firm control over the army.

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SECOND UNITED NATIONS CONFERENCE ON THE LAW OF THE SEA . . Page 8

The Second UN Conference on the Law of the Sea, which opens in Geneva on 17 March, will seek international agreement on two questions that have occasioned much recent friction among various countries, particularly between Britain and Iceland: the extent of a country's territorial sea and the jurisdiction of coastal states over nearby fishing. The principal objective of Western, and particularly NATO, countries is to reach agreement on a narrow territorial sea of not more than six miles.

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PART I**OF IMMEDIATE INTEREST****EAST-WEST RELATIONS**

Moscow has combined expressions of optimism over the summit conference with efforts to increase pressure for Western concessions. Khrushchev, in a speech on 5 March after returning from his Asian trip, said he intends to enter the forthcoming talks in "full readiness to seek out, together with other states, ways to a solution of disputed issues." On 7 March, a Pravda editorial echoed this sentiment by claiming that the meeting would be held in a "very favorable atmosphere" as a result of Khrushchev's "successful" Asian tour.

Soviet bloc officials are attempting privately to create a strong impression that some decisive action may be taken on a separate peace treaty with East Germany if the summit meeting does not produce an agreement. These officials have given Western sources conflicting versions on the timing of such action in order to obscure Soviet intentions and increase pressure for Western concessions.

The counselor of the Soviet Embassy in Paris assured an American official that the USSR had no intention of signing a separate treaty prior to President Eisenhower's visit in June. His statement implied, however, that the West might expect some action after the visit. A Soviet official in-

[redacted]
if the summit talks failed, the USSR would proceed with a separate treaty

and denied that such a course would be postponed until after June.

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[redacted]
Soviet officials have sought to intensify pressure for concessions and stimulate fear of a private understanding between the USSR and the United States. The Soviet ambassador to Bonn warned Free Democratic party leaders that Germany would "disappear entirely" if Bonn persisted in its present hostility to the USSR and obstructionist policy on Berlin. He said the West Germans did not realize that the USSR and the United States had reached a "large measure of agreement through diplomatic channels," and that Bonn would be "well advised" to take this new situation into account.

Moscow is stepping up its efforts to portray the Bonn government as an increasingly dangerous obstacle to an East-West agreement. The Soviet official

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Government fails to realize Adenauer is moving to sabotage an East-West agreement by exaggerating such issues as the high-altitude flights to Berlin and the new documents for Allied Military Liaison missions--documents bearing the name "German Democratic Republic."

Moscow climaxed a two-week propaganda campaign against the

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West German - Spanish military talks with notes on 4 March to the three Western powers and Bonn protesting the talks as a violation of Allied agreements on Germany. The notes implied that an understanding between the USSR and the three Western powers could be reached, provided Bonn does not disrupt the "certain relaxation of tension" which Moscow claims has taken place. Timing the notes to secure maximum impact before Khrushchev's visit to France and Adenauer's trip to the United States, Moscow apparently hopes to focus increased attention on the need for a German settlement. The notes will also provide a background for Khrushchev to renew appeals for restrictions on German military power during his visit to France.

Western Position

A high official in the West German Foreign Ministry has privately affirmed that Bonn favors a return to the basic Western plan of 14 May 1959 in order to discourage a disposition in "certain quarters" to offer additional compromises on Berlin. The official considers the present occupation rights the safest basis for continued Allied presence in the city and fears that an "interim agreement" for Berlin would ultimately undermine the confidence of the city.

The official believes that Khrushchev is unwilling to take any steps involving the risk of war and will therefore move cautiously on the question of a separate peace treaty with East Germany. In his opinion, however, the Western powers face a major test in how they react to the Soviet pressures

aimed at creating an atmosphere of crisis in order to intimidate and disunite them.

Speaking at a party rally in Berlin on 5 March, Social Democratic party (SPD) chairman Ollenhauer, replying to recent Soviet propaganda tactics, stated it was time for Moscow to "stop hoping" that the SPD ever would become a promoter of Soviet policies. He added that there was no purpose in considering proposals for negotiations emanating from the East German "nominees of Moscow." He did, however, endorse military withdrawal from both parts of Germany as a proper approach to the question of German reunification.

Nuclear Test Talks

The Soviet delegation has moved to increase pressure for agreement in principle to a fixed quota for inspecting possible nuclear explosions. It warned on 2 March that the USSR would revert to its insistence on a veto over inspections if the United States continued its opposition to the quota concept.

In response to qualified Western acceptance of the temporary standards for identifying and inspecting suspected explosions, as set forth in the Soviet proposal of 16 February, Soviet delegate Tsarapkin rejected negotiating separate elements in the Soviet plan, insisting that it must be regarded as a "unified whole." He stated that the West must accept the other major points of the Soviet plan—a comprehensive treaty banning all tests and the inspections-quota concept.

In raising the possibility of returning to a demand for a

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veto and emphasizing that the "real issue" remained acceptance of the quota. Moscow apparently hopes to gain Western acceptance of the quota principle without indicating a specific level of inspections.

The USSR claims inspections must be based on a "rational political compromise," unrelated to the number of estimated seismic events occurring annually.

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THE DE GAULLE - KHRUSHCHEV TALKS

Both De Gaulle and Khrushchev probably look on their talks beginning 15 March primarily as an opportunity to size each other up and impress the other with his firm adherence to established positions. Both have policy commitments which sharply reduce the likelihood of any French-Soviet "deal." De Gaulle will use the visit to further recognition of France as a major power and as the spokesman for Western Europe. He can be expected to maintain his "hard line" on Berlin and Germany, while at the same time probing for opportunities to lessen East-West tensions.

Khrushchev, who has been making a persistent effort to create a favorable atmosphere for his visit, will probably avoid serious bargaining on specific issues but try to impress De Gaulle with Soviet determination to reach a settlement on Berlin and Germany.

Although Moscow's conciliatory attitude toward French policy in Algeria is frequently tied to De Gaulle's implied recognition of the Oder-Neisse boundary in speculation on the possibility of a French-Soviet "deal," it is unlikely that either leader is willing or able to make any significant concessions.

De Gaulle sees no present advantage for France in changing the status quo in Central Europe, and his opposition to disarmament proposals which would restrict France's development as a nuclear power will probably lead him to emphasize the problem of lessening East-West tensions, a topic he feels is more "negotiable." De Gaulle is unlikely to agree to anything which would weaken France's close ties with Bonn, ties on which he bases his hope for a strong West European bloc led by France.

Khrushchev appears determined to maintain pressure for a German settlement based on a peace treaty with both German states. He will probably use De Gaulle's remarks on the Oder-Neisse to press for a reaffirmation of this in a joint communiqué. In dealing with Berlin, Khrushchev will attempt to combine a strong stand on the need for revising the city's status with a flexible approach as to the procedure for achieving this. He may, as the Soviet ambassador did on 21 October, assure De Gaulle privately that if the heads of government agreed in principle on Berlin, the question could then be referred to the foreign ministers.

Khrushchev probably will also seek confirmation of Foreign

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Minister Couve de Murville's statement last May at Geneva that the government of West Berlin "has no direct link" with that of West Germany, nor is the city part of its territory. De Gaulle will probably seek to avoid reiteration of Couve de Murville's statement and continue to press the established tactical position that Berlin cannot be considered apart from a general German settlement.

While Khrushchev reportedly hopes to avoid a discussion of Algeria, if De Gaulle agrees to reaffirm his remarks on the Oder-Neisse line the Soviet leader may agree to renew his endorsement of De Gaulle's Algerian program and his acknowledgment of the historic ties between France and North Africa. The final communiqué may thus give the impression of a "deal."

De Gaulle is keenly interested in encouraging Moscow to cooperate with the West in line with his belief that social changes in the USSR and pressures from Communist China will eventually lead to the Soviet Union's "return" to the West. On his recent tour of southern France, he said a "productive detente" is necessary between East and West leading to "peace within an equilibrium." "We are not there yet," the French President said, but "we have started out on the road to it." De Gaulle is certain to raise his proposals for a joint East-West economic aid program for less developed countries and for agreement on nonintervention in the affairs of other countries.

Khrushchev's prospective visit to Africa probably height-

ens De Gaulle's concern over Communist infiltration in an area he views so vital to France's aspirations as a world power. De Gaulle may hope to get some Soviet acknowledgment of France's pre-eminent position in North and Central Africa. Paris has been perturbed by Peiping's interest in Africa, and De Gaulle may believe he can exploit what he considers serious differences growing between Peiping and Moscow to get a Soviet statement which might curb Peiping.

De Gaulle's concern with Africa and the Peiping "threat to white men," including the Russians, may make him susceptible to the argument that French recognition and willingness to accept Peiping in the United Nations would serve as a form of control. Peiping's recognition of the Algerian rebel government will probably continue, however, to be a decisive obstacle to such a policy in Paris.

De Gaulle and Foreign Minister Couve de Murville have publicly implied that in the long run France hopes to exert a moderating influence in the Western alliance and that it expects to be able to do so increasingly as it acquires a nuclear weapons capability. De Gaulle's determination to achieve a national nuclear weapons capability has also been suggested as providing an "opening" for Moscow. Former Finance Minister Antoine Pinay said prior to the first French nuclear test that he did not "completely" rule out acceptance by De Gaulle of Soviet aid for France's nuclear program, although he felt the French President would prefer to have France become a nuclear power by its own efforts.

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Such Soviet assistance would seriously complicate the USSR's position, both in Africa and Asia as well as with its bloc allies, from whom it is believed thus far to have withheld such weapons. Moscow may, however, be willing to acknowledge France's nuclear power status by concluding an agreement for exchanges of information on the peaceful application of atomic energy, and may hold out the possibility of joint projects in this field. The USSR wants to include top-level scientists in Khrushchev's delegation, and plans are being made to step up scientific exchanges under the French-Soviet cultural agreement.

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The French Communist party (PCF) continues to whip up public enthusiasm for the Khrushchev visit, but former Premier Edgar Faure--unlike Socialist leader Guy Mollet and French rightists--doubts the visit will significantly redound to the strength of the PCF. Faure believes that curiosity will lead French people to turn out in large numbers to seek Khrushchev, but their political opinions will remain unaffected. He believes the personality of Khrushchev will amuse the average Frenchman and perhaps attract a certain amount of sympathy, but it will not command respect or admiration.

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MIDDLE EAST HIGHLIGHTS**UAR-Israel**

The possibility of hostilities between the UAR and Israel appears to have receded further during the past week, with some major UAR military units reported leaving the Sinai Peninsula. Units of the Syrian Army reportedly have also been withdrawn from the Syrian-Israeli border. An early termination of the UAR military alert seems probable. The Israeli armed forces appear equally relaxed.

The intensive propaganda war has not abated, however, and the UAR's press and radio, taking the lead from Nasir's

speeches in Syria, continue to charge the West with complicity with Israel and bitterly attack Israeli Prime Minister Ben-Gurion's visit to the United States.

Nasir has repeatedly denounced the recent Western reaffirmation of the 1950 Tripartite Declaration guaranteeing Israeli and Arab borders. The UAR President's most vicious assaults, however, were directed against the Ben-Gurion visit, during which the Israeli prime minister received an honorary law degree from Brandeis University. Speaking in Damascus on 4 March, Nasir stated: "Let them give

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the war criminal an honorary degree in laws; this shows us the true value of laws and human rights in America."

The Israeli press has openly presented the visit as one of great political importance, probably adding to UAR and general Arab concern over American intentions in the area.

Jordan-UAR

Nasir is also joined in a propaganda battle with King Husayn and the Jordanian regime over the Palestine issue. This verbal duel developed in its most recent form following the February meetings in Cairo of the Arab League Council. The league was unable to agree on a UAR proposal for the creation of a Palestine "entity" and army because of Jordanian opposition. Nasir's plan is similar to one by Qasim. Husayn objects to such proposals because they tend to undermine his control over the West Bank area of Jordan, formerly part of Palestine, and promote separatist feelings among the Palestinian two thirds of Jordan's population.

Husayn struck back in a radio speech on 1 March in which he denounced those "in some Arab quarters" who have attempted to exploit the Palestine issue at Jordan's expense. Nasir took the speech as a personal attack and ordered UAR propaganda organs to retaliate. He himself asserted in Damascus on 7 March, "The Amman rulers have yielded themselves to American and British imperialism to work against the Arab nation."

Middle East Drought

Severe drought for the third year in succession within the "Fertile Crescent" is threatening the loss of Jordan's entire grain crop and has brought similar, but less critical, crop conditions to Israel. Cumulative rainfall in Jordan is the lowest on record and, with many springs drying up and cisterns and reservoirs far below normal, a severe shortage of potable water is imminent. Jordanian Prime Minister Majali on 2 March issued a defense order requisitioning all water resources in the Amman area. Water in Amman now is being shut off in the daytime, a practice not made necessary until August of last year.

Jordanian officials and the public are becoming panicky. It has been estimated that if no rain falls, perhaps one third of Jordan's 1,500,000 people will be desperately short of water by midsummer.

Drought conditions are also prevailing in southern Syria, and over most of Lebanon rainfall has been less than half of normal. Rainfall in northern Syria is below minimal needs, and in southern Iraq it has been sparse, with water available for irrigation very low.

Complicating the drought in the Levant area is the annual locust threat. Although it is too early in the season to estimate potential locust damage, large swarms have been observed in Saudi Arabia, Jordan, and Lebanon. Swarms are reported to have flown from Jordan to southern Syria and Israel.

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The locust threat extends as far as Libya; in the province of Fezzan, most crops have already been destroyed. Lesser damage occurred in the coastal regions of Tripolitania and Cyrenaica. The Desert Locust Information Center in London states that infestation may spread to Israel, Iraq, Kuwait, and possibly Syria and Turkey.

Jordan is likely to ask for emergency aid soon, and requests from Lebanon, Saudi Arabia, and Libya may be forthcoming. Israeli Minister of Agriculture Dayan, who is presently in the United States for an Israeli bond drive, intends to discuss possible drought relief with Secretary of Agriculture Benson.

Iraq

The Iraqi political scene during the past week has been characterized by continued and increasingly critical attacks on the government by the Communist press. Charges have been leveled that the Qasim regime is ridden with corruption and working against the objectives of the revolution, and that "activities directed against the people...who supported the revolution" are being guided by authorities high in the government. The Ministry of Interior is accused of keeping "faithful citizens languishing in dungeons" and, in refusing to license the orthodox Communists,

of violating the law on political parties.

Apparently fearing that the Qasim regime may attempt to lay the blame for poor crops on the Communist-dominated agrarian reform organizations, the party press has begun a campaign against "highly placed officials" in charge of the reform. In addition, the Communist press, declaring that "combating Communism destroys the economy," asserts that anti-Communist nationalists are responsible for deteriorating economic conditions.

The anniversary of the suppression of last year's Mosul revolt has been seized on by the Communists to reiterate demands that the Communist-dominated Popular Resistance Forces, now dissolved, be reactivated in order to help Qasim "crush more such plots."

The orthodox Communists accompanied this press campaign with a direct appeal to Qasim on 8 March to overrule the minister of interior and license their party. These aggressive activities may lead to a further crackdown on them.

UAR subversive activities against the Qasim regime are continuing, although there is no indication of an imminent move to unseat Qasim.

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CARIBBEAN TENSIONSCuba

Anti-American feeling is being whipped up to such a frenzy by Castro and the Cuban press and radio that even a minor incident now could cause an outbreak of

violence against US personnel and property. The US Embassy sees no hope that the United States will be able to establish a satisfactory relationship with a Cuban government dominated by Castro or his close associates.

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Even Cubans who previously were cool to Castro's anti-American diatribes seem increasingly resentful of the United States. Castro's charge of US complicity in the destruction on 4 March of the French vessel delivering military equipment to his government follows months of officially inspired attacks on the United States for the continuing airplane raids on Cuban sugar fields.

Illustrative of the vitriol, Radio Mambi, the most vicious of the government-controlled stations, commenting on President Eisenhower's trip to South America, claimed its purpose was to form a political cordon in Latin America to isolate Cuba and called the President "slavery's spokesman, the champion of the threatening atom bomb...who had the effrontery to talk of democracy to exploited peoples...."

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The Dominican Republic

In the Dominican Republic, the beleaguered Trujillo regime faces a further deterioration in its relations with the Roman Catholic Church. The local church hierarchy reacted on 7 March to continuing political arrests by issuing the second pastoral letter within five weeks exhorting Trujillo to release prisoners. The second letter called attention to a recent message from Pope John extending moral support to the Dominican bishops for censuring the dictator's violation of human rights.

The church has also excommunicated high officials, including the governor, in the province of La Vega for attempting to interfere with the reading of the first letter. The opposition, heartened by the strong church stand, will be further encouraged as news of the incident, unpublished in the country, is passed by word of mouth. There is already a noticeable spread of unrest from upper and professional classes to those of lower social strata. The armed forces still appear to be loyal to Trujillo

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PART II**NOTES AND COMMENTS****DE GAULLE'S ALGERIAN POLICY**

The amplification of De Gaulle's views on Algeria, made during and after his 3-5 March visit to the area, suggests he has become pessimistic over prospects for an early cease-fire, although he has not significantly altered his earlier self-determination policy.

De Gaulle's remarks to army units in Algeria and the Ministry of Information statement on 7 March add up to the view that the French President envisages an autonomous Algeria with close ties to France as the only sensible solution. He believes Algerians will choose this alternative, but says they can expect to exercise their choice only after a long period of pacification. His flat rejection of the rightist concept of a "French Algeria" and his warning that Algerian independence would lead to chaos and partition will irritate extremists on both sides. Many moderates, such as Socialist party leader Mollet, are disturbed by his emphasis on military pacification.

De Gaulle reiterated his offer to negotiate a cease-fire with National Liberation Front (FLN) representatives, but his unwillingness to permit rebel forces to retain

their arms may have prompted the reported departure of the FLN emissary said to have been in Paris last week.

Recent French statements will tend to discredit moderate rebel elements who viewed De Gaulle's self-determination proposals as a possible basis for a settlement, and to strengthen those rebel intransigents who have long questioned his good faith. The rebels will probably seek new means to "internationalize" the war and to dramatize their ability to continue the fight. They are likely to use increased terrorism to remind Algerian Moslems of the danger inherent in any cooperation with De Gaulle. The rebels retain a capability for assassination which may prove an effective deterrent to the emergence of any "third force" in Algeria.

De Gaulle's remarks to the army stressed that French officers must realize they have global missions beyond Algeria. By combining apparent concessions on the conduct of the Algerian war with a promise of refurbished prestige for the French Army in the future, he evidently hopes to align the army solidly behind his attempts to increase French influence in international affairs. 25X1

THE IMPACT OF KHRUSHCHEV'S TRIP TO ASIA

Khrushchev, in an hour-long speech in Moscow on 5 March covering his trip to India, Burma, Indonesia, and Afghanistan, emphasized the

"warmth" with which he was received and the "fruitful discussions" that were held. Nevertheless, he seemed to have had some reservations, and mentioned

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the rigors and "not infrequently heated disputes" of the journey.

While Moscow radio burbled that the trip had put Khrushchev in a position to speak for Asian as well as Communist nations at the summit, the trip was not in fact an overwhelming success for the Soviet Union. The overall public response obviously did not measure up to expectations. Khrushchev received his largest welcome in Kabul, where his public reception in the center of the city was about equal to that accorded President Eisenhower. In the outlying areas, however, the public was distinctly apathetic, and the attendance and reaction at Ghazi Stadium appeared forced and without spontaneity or enthusiasm.

In the other countries, the response ranged from cool to moderate, even in Communist strongholds such as Surabaya, Indonesia. Khrushchev was described on much of the trip as glum, dispirited, and irritable--apparently reflecting his disappointment with the reception.

Throughout the trip, Khrushchev took a forceful line in both his public and private talks and apparently irritated his hosts by his thoughtlessness, by boasts of Soviet achievements, by blunt sermons on the virtues of Communism, and by criticisms of local practices. In India, President Prasad and other leaders were put out by Khrushchev's preaching to the Indian Parliament the value of a one-party system and by impromptu lectures on the superiority of Soviet farming methods.

The biggest clash came in Indonesia, Foreign Minister

Subandrio told the American ambassador there was almost constant bickering between President Sukarno and Khrushchev. He quoted Sukarno as saying, "I didn't invite this man here to be insulted by him." At one point, Sukarno told Subandrio, "You take over, I can't stand another minute of this." When Sukarno expressed no interest in detailed economic figures, Khrushchev told him, "You are no socialist. Socialism consists of figures, figures, figures." "You are a robot," Sukarno retorted.

In reply to Khrushchev's charge that Indonesia's purchase of Lockheed Electras instead of Russian Ilyushins did not befit a "socialist," Sukarno countered that he was buying what he considered best suited for Indonesia. Despite these clashes, Sukarno and the Indonesians found Khrushchev impressive and described him as a man of great ability.

In Afghanistan, there was reported wrangling over the texts of the agreements that were signed. The signing of the cultural agreement was postponed six times, although the press and photographers were called in each time to record it and Gromyko was on hand four times. The Afghans wanted the accord signed by persons on the Cultural Affairs Ministry level, but Khrushchev insisted on signing it himself, thus forcing Prime Minister Daud to sign as well. The final joint communiqué itself was not signed until 10:45 on the night before Khrushchev's departure.

At the departure ceremonies, Daud appeared distinctly unhappy and somewhat angry, and he stood aloof from Khrushchev. Khrushchev spoke of nothing but

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the weather, and his parting words to the King were, "Don't be worried; all these difficulties will be straightened out."

Resentment toward Khrushchev's conduct, however, did not prevent acceptance of large grants of aid or the signature in each country of joint statements supporting Soviet propaganda and policy positions. In India, Khrushchev signed the previously worked-out aid agreement for \$375,000,000 and arranged for Soviet assistance in Indian atomic energy development, but the only firm new offer of aid was made to Indonesia. According to Subandrio, Khrushchev was prepared to give the Indonesians as much as \$500,000,000, but Sukarno requested only \$250,000,000. Agreement on this figure was reached after less than five minutes of discussion.

In Afghanistan, Khrushchev promised continued economic aid, and a Soviet gift of 50,000 tons of wheat was announced the day of his departure. The most significant development was the wholehearted endorsement--both in the communique and in Khrushchev's speech on his return to Moscow--of the Afghan position on the Pushtoonistan issue.

The recent aggressive activities of the Chinese Communists loomed large in the background of the trip. Subandrio

noted that while in Indonesia Khrushchev displayed a real fear that, as a result of Chinese actions, Indonesia would reject its policy of nonalignment. He returned time and again to this theme, attempting to dissuade Indonesian leaders from what in his mind was a decision on their part to swing to the West.

Although Khrushchev's failure to discuss the Sino-Indian border dispute publicly while in India caused some dissatisfaction among Indian press and parliamentary leaders, the government could not have expected him to support India against his ally. Khrushchev's talks with Nehru apparently were more harmonious than those with other leaders, and he returned to Calcutta en route from Indonesia to Afghanistan to hold further talks with him.

Peiping, still at odds with Moscow on foreign policy tactics, at first appeared to find no solace in Khrushchev's visit to countries with which it is engaged in disputes. Throughout the trip, Chinese propaganda media were virtually silent. Since its conclusion, however, three editorials have appeared stressing that the trip improved relations between the bloc and these countries, and that it created a favorable atmosphere. The Chinese leaders may hope to be able to exploit this atmosphere in talks Chou En-lai will hold in India.

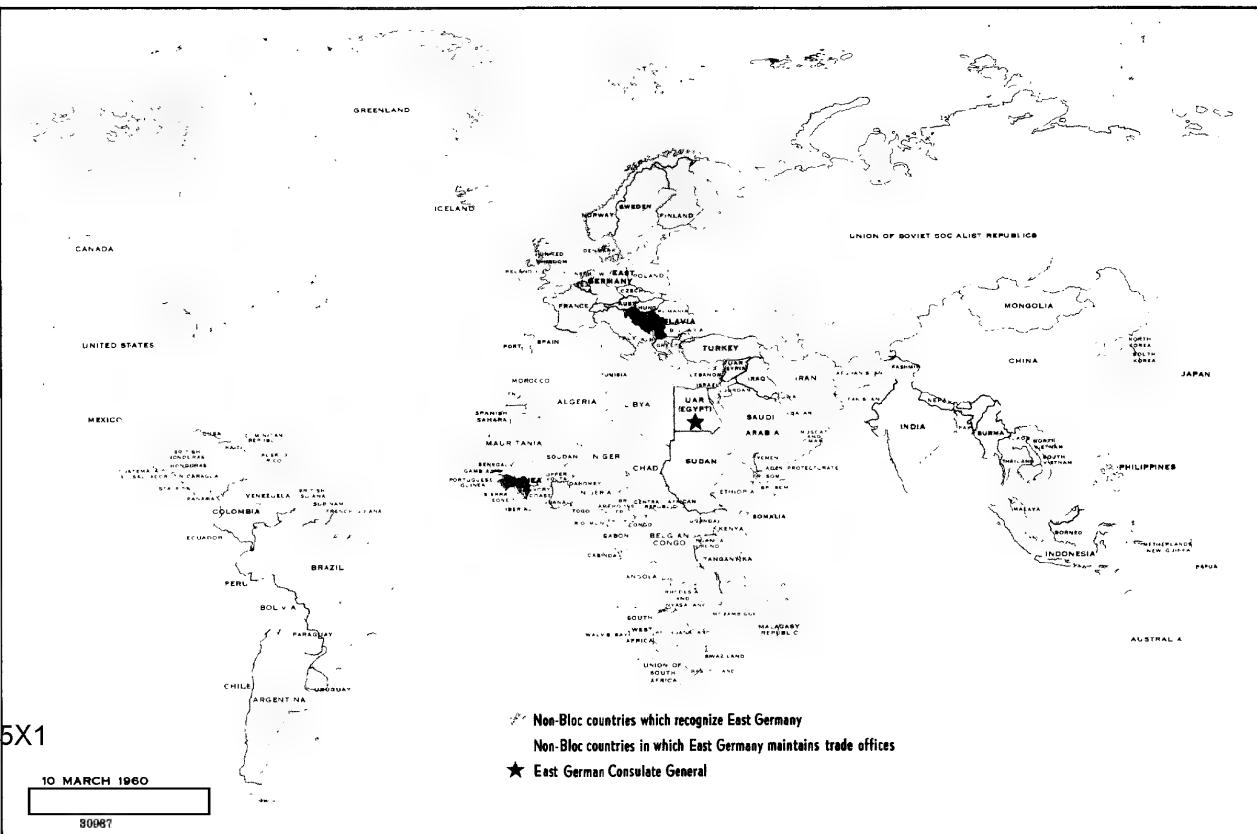
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EAST GERMAN DIPLOMATIC RELATIONS

East Germany has announced that the Guinean ambassador to Moscow on 5 March presented his credentials to President Pieck, an act which would constitute the first legal recognition East Germany has re-

ceived from a non-Communist country. If Guinea confirms this action, its lead may be followed by other countries in Africa, Asia, and even Western Europe, unless West Germany is able to deter them. Further

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recognition would greatly enhance East Germany's prestige on the eve of the summit meeting and would be used by Moscow to support its claim that there are two Germanys. (See item on Guinea on page 12.)

Guinea's action will test West Germany's policy of refusing to have diplomatic relations with any country other than the USSR which recognizes the East German regime. Bonn has recalled its ambassador to Conakry pending clarification of whether the Guinean envoy's call on Pieck actually constituted recognition. If so,

Bonn must take some strong action--a diplomatic break, termination of economic aid, or both --if its policy of "one legitimate German government" is not to be undermined.

The West German cabinet on 9 March authorized Foreign Minister Von Brentano to break off diplomatic and economic ties with Guinea unless that nation promptly indicates that it has not extended diplomatic recognition to the East German regime. West Germany's immediate break in diplomatic relations after Yugoslavia recognized East Germany in 1957 restrained

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a number of independent, neutralist states from following Belgrade's example at that time. West German public opinion is divided on the issue, however, some elements fearing Bonn's isolation from Africa and the entire neutral bloc. East German media are playing up the new Guinean ambassador's references to East German "independence" and Sékou Touré's "profound gratitude" for the regime's friendship. A high-level East German trade union delegation recently arrived in Ghana to open an industrial exhibit, and plans to proceed to Togo.

Guinea's move will encourage East Germany in its campaign for recognition.

Asian neutralist countries have been reluctant to take steps toward recognizing the Ulbricht regime, attributing this to strong West German counteraction.

Foreign Trade Minister Heinrich Rau's conduct in Rangoon during his recent Far Eastern tour was so tactless that Burma canceled plans to par-

ticipate in the Leipzig fair. Indian Prime Minister Nehru has made it clear to East German representatives that he has no intention of granting recognition before the summit meeting. Nevertheless, there are strong pressures on the Asian neutralists to accord at least de facto recognition.

In the Middle East, the UAR last September gave East Germany permission to raise its trade mission to the status of consulate general, but it expressly withheld diplomatic recognition. Encouraged by success in Guinea, the East Germans are likely to make new approaches to Nasir and will probably also pressure Iraq to the same end.

In Cuba, the director of the East German State Bank signed a one-year trade agreement on 3 March calling for the establishment of commercial representation in both countries. The East Germans are already boasting about the impending establishment of the first Latin American trade mission on their territory, the Cuban mission called for by the new agreement.

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SOVIET-IRANIAN RELATIONS CONTINUE TO WORSEN

The Soviet Union, unsuccessful in its year-old campaign of diplomatic and propaganda pressure to force Iran to modify its pro-Western policies, now is trying to develop a subversive potential

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The broadcast claimed Turkish officials tried to convince the President that the Shah's regime is unstable and that "other persons must in time replace the Shah." Radio Moscow also claimed that leaflets are being distributed in Tehran and other Iranian cities urging Iranian citizens to "overthrow the rotten and perfidious Pahlavi dynasty."

The Soviet clandestine station "National Voice of Iran," in recent broadcasts to Iran, alleged that General Bakhtiar, chief of SAVAK, and General Nasiri, head of the Royal Guard, are engaged in competitive plotting against the Shah, and it accused Bakhtiar of seeking support from the United States.

Official relations between Moscow and Tehran remain at a standstill, with the USSR continuing to demand that the Iranian Government give a guarantee against the establishment of foreign military bases of all types on its territory, while the Shah refuses to go beyond his offer of a ban on long- and medium-range missile bases.

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Moscow has given its propaganda to Iran a new twist through broadcasts designed to arouse the Shah's suspicion of his close associates in the government and of the support which his regime enjoys from Iran's allies. Radio Moscow on 7 March repeated "foreign press reports" that during President Eisenhower's visit to Turkey in December, President Menderes gave him a list of influential Iranians, including military figures, who are allegedly "preparing a coup d'état."

GOMULKA ADAMANT ON LABOR SPEED-UP

In a climate of rising discontent among Polish industrial workers, party leader Gomulka tried in a speech on 2 March to calm the workers and make more palatable the reforms of industrial labor practices now under way. The speech probably did neither. Gomulka indicated determination to continue his program, which relies on increased labor productivity for almost all the planned increase

of 7.5 percent in industrial output for 1960. If the workers had expected that strikes and threats of strikes against cuts in take-home pay would bring about some relaxation of the new hard line, they were disappointed.

Gomulka acknowledged the hostility of many workers to the program of work-norm revision--in effect since the last

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quarter of 1959--but he asserted that most workers were backing the regime's measures. He admitted that wages were declining, however, and his remarks indicated that a considerable proportion of the industrial workers had been affected.

Workers, Gomulka charged, are lowering productivity in the hope that this will reduce the norms, or at least forestall an increase. He made it clear that in order to maintain even the present wage rates, workers would have to improve their qualifications. "If you know less, you earn less." He then announced that the new price list for piecework in all building enterprises would be introduced on 15 April, reducing pay rates by 6 percent.

Gomulka accused industry of bribery, fraud, waste, theft, lack of organizational sense, and ill will.

He also admitted the opposition of management to the wage reforms, and accused plant administrators of hiding their own dislike by emphasizing worker opposition and of "approaching norm review like a dog approaching a hedgehog." He said that management has been unable to fulfill plans without inflating the wage fund; he held out a gloomy prospect for 1960, inasmuch as the industrial plan is to per-

mit no increase in the wage fund during the year.

When the regime began to "tighten up" in October by upping meat prices and the cost of living, urban workers showed their dismay by brushes with the authorities in Bygoszcz, Chorzow, Gdansk, Olzstyn, Posnan, Szczecin, Walbrzych, and Warsaw.

At first these were limited strikes or informal group protests more indicative of the high state of tension than of any organized defiance. In reaction to the increasing regime pressure on the workers, however, strikes have recently been reported from Czestochowa, Koszalin, Lodz, and Poznan, and have probably occurred in other areas as well. Such reactions indicate that the regime may have overestimated the effectiveness of its plan to restore worker discipline by discharging surplus personnel. The expectation had been that fear of dismissal would discourage any recalcitrance on the part of the remaining workers who were not laid off.

The regime may in fact have stand-by plans for some easing of pressure on the workers if it feels that the reaction is getting out of hand. If so, timing could be crucial. Indications so far this year are that 1960 is to be the most difficult year for Poland and Gomulka since his return to power in 1956. []

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(Prepared by ORR)

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NEW SOVIET UNIVERSITY FOR FOREIGN STUDENTS

The Soviet press has described in glowing detail the government's plan to establish a University of People's Friendship for foreign students. First announced by Khrushchev on 21

February, the scheme is extolled as another example of the concern of the Soviet people for "their brothers" in underdeveloped areas and as an example of "the systematic support by the USSR

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for all those struggling for freedom and national independence."

The university apparently is to be established primarily for students from Asia, Africa, and Latin America and will accept students sent by their own governments as well as recipients of Soviet scholarships. About 500 are to be admitted in 1960, but the USSR, it is said, is preparing eventually to accept from 3,000 to 4,000 annually. The course of study will be from four to five years, but a preliminary course of one to three years will also be offered for the benefit of able but poorly prepared students.

This preparatory course, unlike anything offered in the West, should have considerable appeal in areas lacking an extensive formal educational system. Soviet scholarships, moreover, are generous, covering not only all expenses for the four to five years, but also the cost of travel to and from the USSR.

The university will have the advantage for propaganda of consolidating and highlighting the hitherto haphazard Soviet scholarship program for underdeveloped countries. Soviet educational aid offers to Asian and African countries for the most part have been unilateral, one-time offers at irregular intervals. Some have been made under the terms of official agreements; others, such as the 25 scholarships offered in January to African youths, have been sponsored by various Soviet

"friendship" societies. Approximately 800 students from Asia and Africa are believed to be studying in the USSR, although not all are on Soviet scholarships.

The regime probably is also interested in isolating foreign students from the realities of Soviet life, hoping thereby to enhance their vulnerability to indoctrination. Apparently in recognition of the difficulties encountered by foreign students in adjusting to the Soviet scene, Moscow University last September established special courses for "orientation in the Soviet culture and way of life," as well as for Russian-language training for foreign students of all nationalities, including those from other bloc countries. The further separation of foreign students in a special university and the extension of these special courses to a full four-to five-year program will add to their isolation.

African and Asian students have already expressed resentment of the security restrictions and the paucity of contacts with the public while attending Soviet universities. According to the American Embassy in Moscow, the announcement of the new university has already produced some unfavorable reactions. Students from Africa and the Near East and some Asian diplomats are reported to regard it as a form of further discrimination against them. Some Latin Americans are also said to question the Soviet decision to group them with the Asians and Africans. [redacted]
(Concurred in by OSI)

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****10 March 1960****COMMON MARKET DEVELOPMENTS**

Despite the delicate political and economic issues involved, prospects are generally favorable for a major reduction in the timetable of the European Economic Community (EEC or Common Market). Under the schedule set forth in the 1957 Rome treaty, the customs and economic union of the six member countries is to be accomplished in three four-year stages--which could be prolonged to a total of 15 years. This maximum transitional period may ultimately be cut in half, however, if measures now under consideration are adopted.

EEC officials, impressed by the ease with which the initial 10-percent tariff cut and quota adjustments have been absorbed by the member countries, want to take advantage of the present prosperity to hasten the dismantling of economic boundaries. They are supported by the traditionally "pro-European" circles, who are hopeful of attaining a "point of no return" in the integration process, and by a surprising number of businessmen who have discovered that the larger market of the EEC is a challenge rather than a catastrophe.

Under the plan announced by the EEC Commission on 3 March, the EEC countries would double the 10-percent tariff reductions they are scheduled to grant each other next July

and in December 1961--thus effecting a 50-percent reduction in internal EEC tariffs by the end of the first four-year stage. To facilitate the earlier introduction of the projected common tariff against nonmembers, the proposed external tariffs would be reduced provisionally by 20 percent, and the first moves toward putting them into effect would be taken in July.

Other aspects of the Common Market--such as the abolition of industrial quotas and the coordination of trade, social, and agricultural policies--would also be accelerated, and proposals would be considered at a later date for shortening the EEC's second and third stages.

**TIMETABLE OF EUROPEAN ECONOMIC COMMUNITY
(COMMON MARKET)**

	DATE	TARIFF CUTS (PERCENT)		QUOTA ENLARGEMENTS (PERCENT)	
		TOTAL	MINIMUM EACH PRODUCT	TOTAL	MINIMUM EACH PRODUCT
STAGE 1	1959 JAN 1	10	10	20	10
	1960 JAN 1	—	—	20	10
	JUL 1	10	5	—	—
	1961 JAN 1	—	—	20	10
STAGE 2	DEC 31	10	5	—	—
	1962 JAN 1	—	—	20	10
	1963 JAN 1	—	—	20	10
	JUL 1	10	5	—	—
STAGE 3	1964 JAN 1	—	—	20	10
	DEC 31	10	5	—	—
	1965 JAN 1	—	—	20	10
	DEC 31	10	5	—	—
BY END OF STAGE 1: Total tariff cuts by product must be at least 25%; export duties and export quotas must be abolished within the Community; common external tariff to be applied in those cases where existing duty is no more than 15% higher or lower than common tariff. This stage may be prolonged if the EEC Council does not unanimously decide to end it.					
BY END OF STAGE 2: Total tariff cuts by product must be at least 50%. This stage may be prolonged only by unanimous vote of the Council.					
BY END OF STAGE 3: All internal tariff and quota restrictions to free movement of goods, men, services, and capital to be removed. Common external tariff to be applied. This stage may be prolonged only by unanimous vote of the Council; total transition period may not be prolonged by more than three years.					

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The commission's plan will probably encounter reservations, particularly from low-tariff nations like the Netherlands, which have been loath to approve an early introduction of the EEC's common external tariff lest this increase Dutch production costs and aggravate the competition between the EEC and the Outer Seven. Paris, however, has seemed for politi-

cal reasons increasingly anxious to consolidate the EEC as a unit and regards the imposition of the common tariff as an essential part of the process. The commission's proposals go some way to meet the French thesis, but also offer the Dutch the more liberal and outward-looking Common Market for which they have been pressing.

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UAR SEEKS EXPANDED INFLUENCE IN HORN OF AFRICA

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The UAR has offered the Italian trust territory of Somalia an annual subsidy of about \$7,000,000 as well as a gift of arms, [redacted]

[redacted] Somalia, which is scheduled to achieve independence on 1 July, probably would accept such an offer, because Western sources have not promised all the foreign financial assistance it needs for both budgetary and developmental requirements. Somalia's aggressive neighbor, Ethiopia, regards the Horn of East Africa as its own preserve; it can be expected to react vigorously when it learns of UAR assistance to the UN trust territory.

Heretofore, Cairo has supported Somali opposition groups and frequently called government party leaders "lackeys" of the Italian colonial administration. Cairo, despite the probable damage to its relations with Ethiopia, now apparently hopes to ingratiate itself with the present Somali Government, which announced plans last month to establish a 5,000-man army.

Prime Minister Issa, in a recent conversation which ap-

parently was intended to reach the American consul general in Mogadiscio, stated that he had deferred a reply to Cairo's offer of last July to train and equip a Somali army but that the time "has now come" to accept the offer.

Ethiopia's ruling Amharic clique, which is Christian, has long viewed with suspicion the numerous Moslem peoples who nearly surround the empire. Addis Ababa, uncertain of the loyalty of its own large Moslem minority, regards as a direct threat to its territorial integrity any plan which might encourage unification of the diverse Moslem Somali tribesmen under a "Greater Somali" state or which might strengthen one of the existing Somaliland territories.

Moreover, Ethiopia is disturbed over recent developments in the British Somaliland protectorate. London permitted the Somalis in its protectorate last month to form a native-controlled government following the territory's first general elections. The protectorate's extreme nationalist, Cairo-supported, coalition group, which

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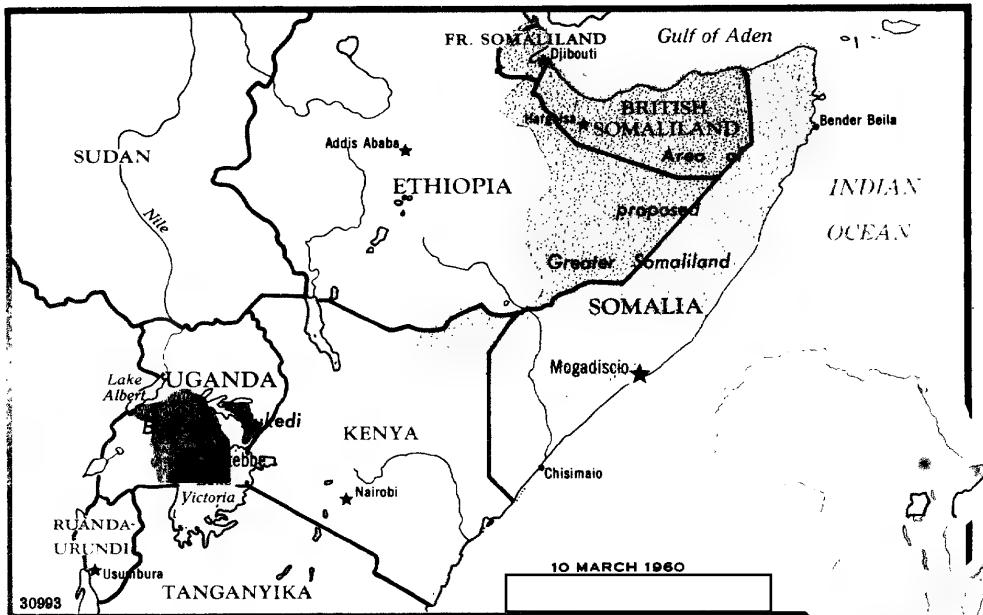
won a landslide victory, is expected to demand immediate independence and press for early talks with representatives from Somalia regarding a unification agreement.

This action, which will further embitter relations along

the largely undemarcated frontiers separating Ethiopia from the Somalilands, probably will prompt Addis Ababa to renew its charge made a year ago that London is conspiring with Somalia to establish a "Greater Somalia" in the Commonwealth.

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POLITICAL UNREST IN UGANDA

London's endorsement of a moderate increase in African representation in the legislature of its East African protectorate of Uganda has failed to satisfy African nationalists and tribal leaders. Nationalists are incensed that the British program does not provide for responsible government and an African prime minister. Tribal rulers, on the

other hand, fear that the trend in Uganda is toward a strong central government which will involve a reduction in their own status.

The present foment stems in part from publication of the report of the Wild Committee, a group formed in 1958 to make recommendations concerning the future political structure of

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Uganda. The committee endorsed the concept of early independence, and called for legislative elections by universal suffrage and the creation of a cabinet with an African prime minister. Its recommendations, if adopted, would have inaugurated in Uganda a program even more liberal than that implemented in Tanganyika, where, unlike Uganda, African sentiment is largely unified behind a single independence group.

The committee's recommendations were opposed by Uganda's feudalistic local rulers, led by the king of the protectorate's most important province, Buganda. While the king has indicated that he no longer anticipates independence apart from the remainder of the protectorate, and that he would settle for a high degree of autonomy within an independent Uganda, he continues to boycott the protectorate's legislature.

The attitude of such traditional rulers appears to have contributed to the announcement on 22 February of a program for Uganda considerably less sweeping than that endorsed by the Wild Committee. Nationalists

strongly attacked the program, particularly those provisions which delay legislative elections until 1961 and stipulate that cabinet ministers will not have to be chosen from the African-dominated legislature. One nationalist spokesman observed that since Britain "has not respected African opinion," Uganda nationalists have no obligation to settle for less than full independence. Nationalists and tribal leaders are attempting to submerge their differences whenever possible, however, and British officials have emphasized that the Uganda program is subject to revision.

Political problems in Uganda are heightened by tensions stemming from sociological factors. A year-old African boycott of non-African goods continues, and has brought a worsening of relations between the African and Asian communities. African protests against tribal tax levies in the Bukedi District cost at least 15 lives during January and February, and British authorities still regard the district as a "disturbed area." [redacted]

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GUINEA

Guinea's increasing ties with the Sino-Soviet bloc--closer than those of any other tropical African nation--have been emphasized by Conakry's abrupt severance of ties with the French monetary zone, by its adoption of a development plan aimed at a state-controlled economy, and by its agreement with Moscow to begin using the \$35,000,000 Soviet line of credit extended last August. Conakry's ambassador

to Moscow has been conferring with the East German regime, and the bloc claims that diplomatic relations have been established. Guinea is also apparently considering accreditation of an ambassador to North Vietnam. (See item on East Germany on page 3.)

These actions probably reflect President Sekou Touré's belief that a "noncommitted" nation can safely have economic

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and diplomatic relations with any friendly state.

Continuing mistrust of Paris and inability after a year of fitful negotiations to reach agreement on French technical assistance led Conakry to announce on 1 March that it would leave the French monetary zone and create both its own currency and national bank. The unbacked currency is likely to have little appeal to Western investors and traders; as a result, Guinea may seek still closer ties with the bloc. Touré has assured the largest Western enterprise in Guinea--the US-controlled Fria alumina combine--that its European employees can send their savings back to France. Fria's financial experts nevertheless are deeply concerned over the longer range situation.

Guinea on 1 March signed a technical cooperation agreement with the Soviet Union outlining a three-year program of aid within the framework of the \$35,000,000 credit agreement. Most of the projects are of a showy nature--a 25,-000-seat stadium, a 1,500-student polytechnical institute,

a cement factory, and several factories for the processing of raw materials. In addition, Soviet technicians will aid in the reconstruction of Guinea's main railroad and airport, in geological exploration, and in agricultural improvements--such as mechanization and the creation of a state rice farm as a pilot project.

In the 17 months since Guinea became independent, the Sino-Soviet bloc has achieved significant influence there. Seven Communist nations, including Peiping, are represented at Conakry, or are about to be. Cultural ties have been strengthened through exchange visits by officials and the presence of 100 Guinean students behind the iron curtain.

Barter agreements with the bloc account for almost 60 percent of Guinea's trade. In addition, Czechs, East Germans, and Poles are active in many fields--agriculture, communications, construction, and transportation. There are already at least 100 bloc advisers in Guinea, and Peiping reportedly may soon send 400 technicians and laborers to aid in agricultural projects.

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AFGHAN-PAKISTANI RELATIONS WORSEN

Afghan-Pakistani relations have deteriorated markedly since Pakistan decided in mid-January to intensify its replies to Afghanistan's strongly worded propaganda attacks in the Pushtoonistan dispute. Rawalpindi apparently has concluded that if it is not to appear weak in the eyes of its own Pushtoon citizens--a minority of approximately one tenth of its 85,000,000 people--and if it is to persuade Kabul to adopt a more conciliatory line, it must make a show of "firmness" while holding out the alternative of friendly cooperation.

Pakistan's radio counter-attacks have accused the "Afghan rulers" of "flattering their Communist masters" and of "sucking the blood of Push-toons," who number about 5,000,-000 of Afghanistan's 10,000,000-12,000,000 population. Foreign Minister Qadir has also announced that Pakistan would now demand a plebiscite to determine whether Pushtoon tribesmen living in Afghanistan wish to join Pakistan.

The members of the Afghan royal family are taking these attacks personally and are reacting strongly. Kabul recently

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PART II

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put Pakistan's diplomatic personnel under surveillance and arrested some of the embassy's local employees. Rawalpindi is countering with a campaign of its own against the two Afghan consulates in Pakistan; it intends to begin harassing the Afghan Embassy shortly unless Kabul calls off its campaign. If these tactics continue, both countries may withdraw their ambassadors and reduce their embassy staffs to the caretaker level.

Afghanistan has also threatened that if Pakistani aircraft continue to fly over "occupied Pushtoonistan"--that is, Pushtoon tribal territory within Pakistan--Kabul will be forced to act and Rawalpindi will have to suffer the consequences.

In the joint Afghan-Soviet communiqué issued on 5 March at the end of Khrushchev's four-day visit to Kabul, the Soviet premier endorsed the Afghan position that the Pushtoons should enjoy "self-determination" under the terms of the United Nations Charter. In the most explicit support by the USSR to date, Khrushchev publicly declared on his return to Moscow that "our sympathies in this question are...on the side of Afghanistan." An Afghan-Soviet cultural agreement and a Soviet gift of 50,000 tons of wheat, announced on 4 and 5 March, are also probably intended as timely indications of Soviet support.



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Meanwhile, the Afghan Government is adopting a cooler attitude toward the West, apparently reflecting the opinion in Kabul that the United States in particular should be able to exercise some control over Pakistani propaganda. Foreign Minister Naim recently complained in a press interview that President Eisenhower's visit to Kabul last December had not resulted in any greater understanding by the West of Afghan problems. Radio Kabul's propaganda has begun to attack CENTO and SEATO, through which Pakistan is allied to the West.

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INDONESIA

President Sukarno's abrupt dissolution of the Indonesian Parliament on 5 March, "in the interests of guided democracy," apparently resulted from his ir-

ritation over the legislature's efforts to preserve its former power and his apprehension over possible parliamentary actions during his world tour, which

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begins in early April. Apparently Sukarno was specifically concerned over parliamentary criticism of the 1960 budget and the strong possibility that the legislature would insist on cutting it.

Sukarno's action is presumed to have had the strong support of the army, whose share of the budget amounts to almost 40 percent. Parliament did not resist the President's action, and held only a token session before finally adjourning on 7 March.

At the same time that he dismissed Parliament, Sukarno promised its "recomposition in the near future" within the terms of the reinstated 1945 constitution, which considerably strengthens executive powers at the expense of the Parliament. According to a presidential decree issued in January, the next Parliament--or Provisional People's Congress--will be composed of the approximately 260 members of the recent body plus 294 regional and functional

representatives appointed by Sukarno.

Sukarno has already invited nationalist, Communist, and Moslem party leaders to a conference beginning 16 March, apparently to discuss the apportionment of the appointed members of the new body. First Minister Djuanda, however, has stated that he does not know whether the new Parliament can be established before Sukarno leaves on his trip.

Sukarno's annual tour takes him this year to Iraq, Yugoslavia, Bulgaria, Rumania, Hungary, Austria, Egypt, Guinea, Tunisia, Morocco, Portugal, Puerto Rico, Cuba, and the United States, with possible visits to the USSR, Japan, and Hong Kong. The visits to Puerto Rico and San Francisco will be unofficial. Sukarno had hoped to visit Ghana, but will not do so, inasmuch as Prime Minister Nkrumah will be engaged on the dates convenient to Sukarno. The five-day stay in Cuba will be the longest of those definitely scheduled during his trip.

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THE SOUTH KOREAN PRESIDENTIAL ELECTION

Intensified political repression is the principal means by which the South Korean Liberal party is planning to assure a landslide victory for President Rhee and his running mate Yi Ki-pung in the 15 March election. Rhee's age--84--and the poor health of Yi--who can stand unassisted for only a few minutes and speaks with great difficulty--prevents any exten-

sive campaigning by either candidate.

The death of Democratic presidential candidate Cho Pyong-ok at Walter Reed Hospital on 15 February left Rhee unopposed for the presidency. To be legally elected, however, he must receive at least one third--about 3,470,000--of the registered vote. Cho's name, which will

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CHANG MYON



YI KI-PUNG



RHEE

remain on the ballot, might attract a large sympathy vote.

The real contest is between Yi Ki-pung and Democratic leader Chang Myon, who defeated Yi for the vice presidency in 1956. Two pro-Rhee vice-presidential candidates from minor parties appear unlikely to affect the election outcome appreciably.

Beginning with repressive legislation forced through the National Assembly on 24 December 1958 by Rhee's majority Liberal party, the administration has pursued a policy of extending government control down to the lowest village level.

Recent by-elections for the national legislature have provided a preview of government rigging tactics. Local Liberal officials marched voters to the polls, organized the voting by groups of three or more voters at one time, and "encouraged" the display of marked ballots. Large numbers of police and persons wearing Liberal party arm bands were stationed outside the poll-

ing places to intimidate the voters.

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Following the election, the government may plan a relaxation of repressive pressures as a sop to foreign criticism. Press licenses may be abolished, and the Kyonghyang Sinmun--South Korea's second largest newspaper, which was suppressed last April for criticizing the government--may be permitted to resume publication.

Administration strategy, however, appears to be largely controlled by the powerful Liberal "hard faction." This group's long-range plans may envisage destruction of the Democratic party, a realignment of political forces, and the creation of a subsidized opposition. Over the long run, the opposition, if denied normal channels for expressing growing antiadministration sentiment, would probably be forced into subversive activity.

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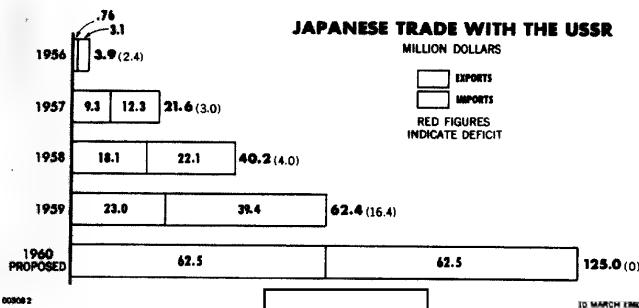
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JAPANESE-SOVIET TRADE AGREEMENT

Japan and the USSR have concluded a three-year trade agreement which provides for an exchange of \$210,000,000 worth of commodities each way and incor-

terms similar to those granted Moscow by Western European countries, a further agreement on detailed arrangements may prove difficult to reach.



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porates a scheme for deferring Soviet payment, up to an unspecified amount, for purchases in Japan. The agreement supplants the annual pacts under which the two countries have traded since December 1956.

The trade target is not binding on either country, and in the case of Japan the actual transactions must be negotiated by industrial companies and trading firms on a commercial basis. The established target for 1960--a total turnover of \$125,000,000--doubles the 1959 performance. It would constitute about 2 percent of Japan's total trade volume.

Despite balanced trade provisions in previous agreements, Japan has not reached its export goals and has experienced a growing deficit. Tokyo hopes that the deferred-payments schemes, to be financed by the government-sponsored Export-Import Bank, will rectify the imbalance. Although Tokyo has agreed in principle to extend credit on

Fulfillment of the new trade agreement would result in large increases in Soviet exports of crude oil, timber, coal, and potash and would expand Japanese exports of chemical plants, ships, rolling stock, and other industrial equipment. The large and rapid expansion of Soviet

crude-oil marketing in Japan, which began in late 1958, is causing concern among American suppliers, who fear that their own sales may be affected adversely.

There is some basis for such concern. Japanese Government officials have acknowledged that one million tons of Soviet crude oil, mostly from the Black Sea area and competitively priced, will be purchased in 1960. This is a tenfold increase over 1959. Thus far, at least one Japanese petroleum firm has signed a long-term purchase agreement with the USSR. Moreover, the Japanese hope ultimately to reduce foreign exchange expenditures for petroleum by exploiting their concession in the Persian Gulf, where a large oil deposit recently was tapped, and through a prospective agreement with Indonesia for developing and sharing oil resources in Sumatra.

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PART III**PATTERNS AND PERSPECTIVES****BULGARIA'S "LEAP FORWARD"**

The political and economic administration that has emerged in Bulgaria over the past year has drawn primarily on Soviet experience, but has also borrowed heavily from the spirit and elan of the Chinese Communist "leap forward."

The Bulgarian leap forward is more than just a program for rapid economic development. The effort has involved a decentralization of the party and government apparatuses and numerous reforms and reorganizations which have, at least in theory, reflected the country's "socialist base."

The most important politico-administrative units established by the Bulgarian program are the 30 okrugs (districts), which resemble the Soviet sovnarkhozy in their control over most industries. But these districts also have --as the sovnarkhozy do not-- responsibility over all "political, cultural, and economic life"--including agriculture--within their jurisdictions. The basic agricultural unit is the collective farm, which in Bulgaria, through amalgamation, is considerably larger than the average size of collectives elsewhere in Eastern Europe.

The decision to embark on such an ambitious program--probably made between June and September 1958--was based on several considerations. As a reflection of their Stalinist background, Bulgarian leaders were perhaps overly anxious to emulate the Soviet drive to "build socialism and Communism." Sofia was also aware that Communist China had embarked on an extremely ambitious plan of its own. There is also evi-

dence that, through decentralization and a reduction in the size of the bureaucracy, the regime hoped to alleviate criticism of the bureaucracy by the party's rank and file.

Major Features of the Leap

The Bulgarian leap called for overly ambitious economic targets for 1959-65. The plan for 1959 called for a 34-percent increase in national income over 1958, about a 50-percent increase in capital in-

Bulgarian Exhortation on "Great Leap Forward"



"Hurry, my allotted time has been shortened."
Sturshel (Sofia)

vestment, a 27.8-percent increase in industrial production, and a 73.9-percent increase in agriculture--a downgrading of the original goal of a 100-percent increase proposed by party First Secretary Zhivkov in November 1958.

Another feature has been the merging of collective farms into larger units, ostensibly to provide more efficient use of new agricultural machinery. The "voluntary" merger of approximately 3,400 farms began in October 1958 and was completed by mid-December when

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the number of amalgamated collectives totaled only 625. Almost immediately thereafter, however, a limited reversal was ordered. By March 1959 the largest and most unwieldy collectives had been broken into smaller units, and the total number of collectives increased to 975. This reversal may have been designed not only to correct the inevitable "excesses" but to disavow any intent of copying the Chinese "communalization" of agriculture.

Between January and March 1959, the state's system of administrative and economic management was reorganized. The country's 12 districts plus Sofia City and 113 okoliyas (counties) were abolished, and 30 "administrative-economic" districts were created. The basic administrative units under the district became the opshinas, areas which generally coincide territorially with the merged collective farms. Most of the "economic" ministries were dissolved, with many of their functions going to the district people's councils. A small number of committees and commissions, which were to exercise certain of the planning and supervisory duties of the dissolved ministries, were set up in the Council of Ministers.

The economic program was to be accomplished primarily by the use of existing "internal reserves," including full-scale mobilization of labor. One aim of the reorganization of the administrative apparatus was to release white-collar workers for "productive" jobs. More intense utilization of plants and equipment was introduced by establishing 24-hour shifts in industry. Collectivized peasants were organized for off-season mass-labor projects, such as land reclamation and irrigation.

The Record

While the economic accomplishments of 1959 were, for the

most part, below plan and hardly constituted a "leap forward," there is no doubt significant economic achievements were attained. Gross industrial production rose about 25 percent, investment about 50 percent, and additions to industrial employment were double those of 1958. The most drastic underfulfillment of plan goals occurred in agricultural production, which increased only 10-20 percent over the previous year, compared with the goal of 73.9 percent. Improvements were recorded, however, including stepped-up programs in irrigation and reclamation and much greater supplies of fertilizers and machinery. These accomplishments, which probably would not have occurred without the pressures of the "leap," will aid future advances.

A serious problem has been the failure of the reorganized state and administrative bodies to live up to expectations. This resulted in part from the great pressures placed on them by the regime to meet economic goals, and in part from the confusion and dislocation arising out of the reorganization itself. These weaknesses have been continuously criticized by the regime, and several national conferences have been held to discuss shortcomings and make recommendations and limited personnel changes.

Internal distribution has been one of the greatest headaches for the state administration. A major portion of the responsibility for this under the reorganization falls to the district trading enterprises, which are subordinate to the people's councils. Failures by several industrial enterprises have been attributed to bottlenecks in supplying raw and semifinished materials. Distribution of consumer goods, particularly food, has also failed on several occasions, with severe shortages resulting.

Perhaps the most important shortcoming has been the failure

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of the party and government apparatus to maintain the high level of popular enthusiasm necessary to meet the economic targets. Although local party and government bodies succeeded in supplying enough peasants to meet 1959 irrigation and reclamation targets, this year's work reportedly is behind schedule, largely because of the failure of the local bodies to overcome increasing peasant apathy. Only a small number of the peasants available were reported at such work during December and January.

Sofia apparently did not succeed in convincing the peasants that the mergers of late 1958 were either desirable or necessary. The regime is still faced with opposition from members of the wealthier collectives who are opposed to mergers with poorer farms, fearing a lowering of their income. In the industrial sector, a revision of the norm and wage scale which is slated to begin this summer has caused concern among workers, who fear higher norms and reduced take-home pay.

Party Problems

The party apparatus is viewed as the key to the success of the leap, inasmuch as the lower party organs--specifically the district and area committees--are charged with directing the daily work of the economic and state bodies on these levels. Party leader Zhivkov's criticisms of these organs at the 12 January conference on local party problems attest to the difficulties encountered in making the adjustment to greater local party responsibilities.

Zhivkov revealed that qualified officials often were transferred through jealousy, that continuity of leadership was frequently lacking in the districts, and that the problems of nepotism, embezzlement, and theft still existed. He re-

buked those officials who, looking back to an earlier system, shun responsibility and rely excessively on the next higher body for direction, and he denounced others for creating small administrative empires or bureaucracies--the very evils supposedly to be eliminated by the reforms.

Another important problem facing the leadership is the need to win a greater degree of acceptance for the leap from the party's rank and file. Many party officials in the winter of 1958-59 felt that the reorganizations did not go far enough, and a few may have desired to establish Chinese-type communes. These officials were quickly reined in, although some such sentiment probably still exists.

Far more dangerous, because it was more widespread, was the feeling that the leap--in its economic terms--was unfeasible for Bulgaria's capabilities. Zhivkov warned against this attitude in a speech in November 1958 and in his "theses" of January 1959. In March, Minister of Trade Boris Taskov was ousted from the politburo and central committee for "doubting." The July issue of the central committee's theoretical monthly Novo Vreme fulminated against doubters and violations of collectivity, but no purge ensued.

The campaign in the first half of 1959 may thus have been in the nature of a program to discourage those of little faith and to prevent them from mounting an organized, effective opposition within the party to Zhivkov's leap. While the regime apparently has been successful to that extent, many party members very likely continue to harbor doubts and may feel their views justified by the shortcomings of the leap last year.

Future Trends

Current developments indicate that economic acceleration

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is to continue during 1960 but on a more realistic scale than in 1959. Gross industrial production, for example, is slated to rise about 15 percent, capital investment about 24 percent, and agriculture 32 percent. Internal propaganda during recent months, contrary to that of a year ago, has not stressed the phrase "leap forward."

The regime evidently plans to maintain the organizational structures established during the past year, but both economic and organizational weaknesses will continue to require reassessment and refinement of the program.

Underfulfillment of the 1959 plan evidently did not notably affect the stability of the regime or Zhivkov's position. Since the fulfillment of the 1960 agricultural plan is possible only with optimum weather conditions, and other goals are ambitious, the regime may have difficulty in achieving some of its 1960 targets. Failure to realize economic goals for the second year may lead the regime to seek political scapegoats and to make additional changes. Although elements in the party have resisted Zhivkov's call for a "great leap," the Bulgarian leader benefits from Khrushchev's personal endorsement, and a crystallization of opposition elements seems unlikely.

[Jointly prepared 25X1
with ORR)

AFGHANISTAN'S MILITARY MODERNIZATION

Afghan Prime Minister Daud is pressing ahead with the modernization of the army, increasing its size and improving its training and equipment. Determined to develop Afghanistan's economy and introduce social reforms, Daud apparently expects to rely heavily on the army for support against any tribal opposition or conservative religious resistance to his programs. As the army becomes aware of its increasing importance as a means of controlling the country, it could become the chief threat to the rule of the royal family. At present Daud apparently has firm control over the army, although his direct contacts with military personnel probably have decreased since he became prime minister.

Need for Stronger Army

Daud is determined to modernize his country, apparently believing national progress is vital for the maintenance of independence. He apparently fears that if he allowed Afghanistan to progress at the slow

rate acceptable to the powerful tribal and conservative religious elements, the country would be unable to resist the encroachments of its more progressive neighbors.



DAUD

In addition, Daud probably believes that the position of the royal family within Afghanistan can be preserved only if the family takes the lead in introducing improved standards of living. As the strongest

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personality within the family, Daud is determined to remain in the vanguard of Afghanistan's intelligentsia in the apparent hope that he can divert the forces which have ousted other monarchies in Asia. Daud became prime minister in 1953 and embarked on a program of economic and social development under his strengthened authoritarian government.

During the first years of his regime, however, Daud did not have the power to override strong opposition and had to proceed cautiously, withdrawing a new tax when it was strongly resisted, or slowing down his efforts to abolish the veil for women when resentment began to mount. The prime minister, however, now apparently

feels strong enough to suppress such resistance. This was demonstrated last December in the Kandahar riots against more liberal treatment for women, when he crushed the dissidence with tanks and troops.

While Daud may postpone his reform timetable for certain areas so as to prevent the rise of too much resistance at any one time, he has moved more troops into troubled areas and they have been ordered to make periodic displays of strength. The prime minister probably feels that any marked retreat from his position would be taken as a sign of weakness.

The government is building roads into tribal territory to strengthen its authority there.

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It also apparently intends to extend conscription to tribes which have hitherto been exempt. These programs may particularly arouse the Pushtoon tribes living near the Pakistani border and put Daud's government and army to more severe tests than in the recent past.

Army Enlarged

From a total strength of about 44,000 officers and men in 1957, the army has been increased to about 54,000. The training of officers has been accelerated; the number of temporary officers is being in-



creased by assigning tenth-grade students from civilian schools to officer-training schools; and the terms of non-commissioned officers have been extended to an 11-year minimum. Enlisted personnel originally drafted for a two-year period are not being released--at least until the present tribal troubles have subsided. The size of the annual class of new draftees has apparently been increased.

Considerable pressure is likely to be felt over the next decade for a still larger army because relations with Pakistan are likely to remain strained over the Pushtoonistan problem, local resistance to governmental authority will probably remain a major problem, and the army itself is likely to become more influential in government policy making.

Improved Training

Afghan Army officers apparently feel they are making progress on the principal need at the present time--improving the quality of the army forces. They believe more up-to-date methods are being taught by the Soviet instructors in Afghan military schools than by the Turkish military mission that had been the chief source of foreign military training in the country before 1956.

A training program in mountain warfare has been established to meet the requirements imposed by the rugged terrain. Some esprit de corps is apparent for the first time, and troops now march smartly and handle tracked and wheeled vehicles competently.

The extension of terms of service for noncommissioned officers and drafted personnel points up the increasing need for more highly trained men to serve for long periods of time to make good use of the modern weapons received under the 1956 Afghan-Soviet military assistance agreement. The next step may be officially to extend the terms of service required of conscripted soldiers or possibly to replace the conscription system with a professional army.

The establishment of a professional army, which relies on volunteers, probably will have to await a further increase in the military's prestige. The army has had difficulty getting high-caliber officer material. Enlisted personnel have been conscripted mainly from the less martial ethnic groups--Hazaras, Tajiks, and Uzbeks--rather than from the more pugnacious Pushtoon

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tribesmen. Traditionally poorly trained, poorly disciplined, and poorly paid, they have enjoyed little esteem in the public eye. The army's prestige is likely to rise as it learns to use its new weapons, continues to look disciplined and smart, and demonstrates its improved fighting qualities against rioters and recalcitrant tribes.

Potential Threat

As the army gains strength, it may acquire new importance in the internal power structure of Afghanistan. In the past, a few powerful Pushtoon tribes could prevent the army from taking over and running the government. The relative strength of the tribes is declining as the army's grows. Daud, by increasing his dependence on army support, becomes more vulnerable to any army attempt to dislodge or dominate him.

At present Daud's firm control of the army appears to be based largely on his knowledge of the officer corps, with which he tries to maintain contacts. With the apparatus of a police state at his disposal, Daud is prepared to move firmly at the first sign of danger.

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contact with his officers since he became prime minister. Many may have more extensive contacts with Soviet military assistance personnel than Daud is aware of.

The apparently proper behavior of Soviet military instructors and technicians working in Afghanistan may also have led Daud to become overconfident with regard to the danger of Soviet military influence in the Afghan Army. Such overconfidence--in addition to Afghan dependence on the USSR for spare parts, ammunition, fuel supplies, and additional weapons--could help Moscow increase its influence within the Afghan Army over the next few years.

In addition, Daud must be alert to the long-term danger of an alliance between the growing middle class and intelligentsia and modern-minded officers, produced by the new training programs, who may come to resent the control wielded over the army by an "obsolete" royal family. As more civilian and military people go abroad for training and as education becomes more commonplace, the intelligentsia will be enlarged. A dictator by temperament, Daud is more likely to try to check any spread of political liberalism by authoritarian methods than he is to accommodate it by giving more power to the governmental bodies that already exist under the country's supposedly constitutional monarchy.

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Nevertheless, Daud, a former army officer, probably has been unable to maintain as close

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SECOND UNITED NATIONS CONFERENCE ON THE LAW OF THE SEA

The Second UN Conference on the Law of the Sea, which opens in Geneva on 17 March, will seek international agreement on two questions that have occasioned much recent friction between Britain and Iceland as well as among other countries: the extent of a country's territorial sea and the jurisdiction of coastal states over nearby fishing. The overriding objective of Western, and particularly NATO, countries to achieve agreement on a narrow territorial sea may force some of them to sacrifice traditional foreign fishing rights to the jurisdiction of the coastal states.

1958 Conference

The 1958 Law of the Sea Conference was the first of various meetings in a broad UN program to bring about the codification and development of international law. Agreement was reached on four conventions which covered a wide range of subjects, including jurisdiction over the territorial sea, the high seas, and the continental shelf; the conservation of living resources of the high seas; and rights of landlocked countries.

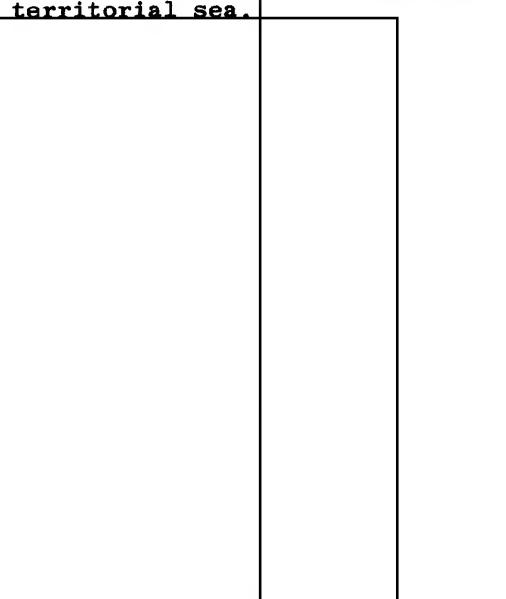
The conference failed, however, to reach agreement on the extent of the territorial sea and the jurisdiction of coastal states over nearby fishing. A substantial group, consisting chiefly of the Soviet and Arab blocs and certain Latin American states, supported the adoption of a 12-mile territorial sea limit--in some cases an even wider area. The United States and Britain--which have held to a three-mile limit--broke precedent by proposing a six-mile limit, but failed to bring about an agreement.

The conference then recommended that a second conference be convened devoted ex-

clusively to the two remaining issues. The 13th UN General Assembly scheduled the conference for early 1960.

Territorial Sea

Western, and particularly NATO, countries favor a narrow territorial sea.

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In recent years, however, almost 40 nations have claimed a territorial sea broader than three miles, some 20 claiming a minimum of 12 miles and others six or four. Some of these claims have been prompted by a desire to show independence of the three-mile concept--which is associated with colonial days--and to assure exclusive control over a broader fishing zone. Arab countries have come to favor a 12-mile limit, hoping to use such a limit to justify closing the Gulf of Aqaba to Israeli use. The Soviet bloc has generally held that for it a 12-mile zone is required but that each nation should itself decide how far its territorial sea should extend up to the 12-mile limit.

Fishery Limits

The issue of fishery limits is essentially one of

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finding a compromise between the legitimate but competing interests of the "coastal" states and the "fishing" states. Within the territorial sea itself, whatever its width, the coastal state has exclusive fishing rights. Some coastal states have been pressing for a wider territorial sea which would extend their exclusive fishing rights and terminate those of other states.

Some fishing states have for generations conducted extensive fishing operations off foreign shores. These states, seeking to continue these operations, have supported a narrow territorial sea and have rejected the claims of coastal states to jurisdiction over fishing in zones contiguous to the territorial sea.

Proposals Before Conference

Two proposals recognizing a 12-mile territorial sea are before the conference. One calls outright for a 12-mile territorial sea. The other leaves to the option of a coastal state the breadth of territorial sea it claims up to 12 miles from its coast. Neither proposal seems likely to get the necessary two-thirds majority support.

Countries which favor a narrow territorial sea have put forth several proposals which would limit the territorial sea to six miles but provide for an additional six miles of fishing rights of varying degrees.

A Canadian formula setting a six-mile territorial sea with an additional six miles of exclusive fishing rights has considerable appeal to states such

as Iceland which wish to end foreign fishing near their shores. This six-plus-six formula as presented is strongly opposed by Western European and certain other fishing states. Canada has indicated it would modify its proposal to account for traditional fishing patterns by adding that separate bilateral agreements could be negotiated between states fishing in the same waters.

The United States and most Western European states favor a formula of six-plus-six qualified to allow continuation of "historic" fishing at a level not above that prevailing in a preconference base period. This formula would not satisfy the demands of certain Asian-African and Latin American states, and would probably not receive two-thirds support. Since it would be likely to be received more favorably than any of the other proposals, the United States and Britain are prepared to compromise further in an effort to get conference agreement and preserve a narrow territorial sea.

Their revised formula, in addition to a territorial sea of six miles, would establish a six-mile contiguous fishery zone in which foreign fishing rights would terminate after a number of years--the number to be negotiated and agreed at the conference. During this period foreign fishing could be continued by the same countries, at the same general level, in the same general areas, and for the same general classes of fish as during a preconference base period such as 1953 to 1957. This compromise may prove to have the best and possibly only chance for two-thirds approval at the conference.

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